

April 12, 2019

To:

Oregon Joint Committee on Transportation

This letter is in support of HB2402-2 which increases Oregon general aviation infrastructure funding by 2 cents over the current levels.

The aviation transportation system and the Department of Aviation in Oregon are underfunded. Connect Oregon funds are no longer available and no money for airport projects comes from the general fund. Aviation did not receive any funding from the \$ 5 Billion transportation bill HB2017 that was passed for surface transportation. We rely on aviation fuel tax as our major source of funding.

In 2015, HB2075 increased the aviation fuel tax by 2 cents per gallon which is bringing in \$3.5 Million per year. Although this is only half of what is required to meet needs, these funds allowed us to complete many successful airport projects and provided the leverage to attract 90% grant matches from the Federal Aviation Administration (FAA) for major airport projects. Since 2016 this totaled \$ 90 Million of FAA dollars flowing into Oregon. HB2075 bill has a sunset of 1/1/2022 and these funds will disappear.

HB2402-2 will eliminate the sunset and add an additional 2 cents per gallon. This would bring avgas to 13 cents/gal and jet fuel to 5 cents/gal. With this increase, our aviation fuel taxes would still be lower than other states in the region. And, far lower than automobile fuel tax. We view aviation fuel tax as a user fee, as it is paid for by those who fly. It is not a general tax.

HB2402-2 will provide critically needed funds of approximately \$7 Million per year for:

- 1-10/90% grant match funds to leverage federal dollars for rural airport infrastructure improvements,
- 2-Creation of affordable air transportation services among some of our 90+ public use rural airports,
- 3-Improvements and maintenance of airports for safety and operations,
- 4-Emergency airport preparedness for natural disaster relief,
- 5-Economic development assistance for the aviation industry in Oregon.

I support HB2402-2 and encourage its passage in the 2019 Legislative Session. Thank you for your support.

Sincerely,

Greg Reince, PE